

April 28, 1983

LB 17, 96, 108, 236, 263,  
266, 350, 579, 579A

1967, this was an argument that went on and on for weeks because they did not want to put the sales tax on tapes. They felt that it was a service, that when Elvis Presley sang a song and it was put on tape or a record, we were taxing talent and I wanted the record straight that everything that we buy has some sort of talent or some expert there at the end but when it's a finished product, the sales tax is applied on the final consumer who's the man or the woman that purchases that tape and, therefore, I believe that we are absolutely correct in putting a sales tax on a finished product regardless what it is. It should be, should not be exempt as far as the sales tax because some very strong or very efficient genius put his talent into that product. I believe that the sales tax should be applied to computer software just as much as it is on an Elvis Presley tape. Thank you very much.

PRESIDENT: Chair recognizes Senator Landis. Let me take this opportunity, Senator Landis, just before you begin to say that, pronounce that while the Legislature's in session and capable of transacting business, I propose to sign and do sign Legislative Bills 236, 263, 266, 96, 108, 350, 579, and 579A. Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, will want to make three arguments. Want to respond to some things that have happened on the floor here. First, the argument that Senator DeCamp makes that what we really have here is an intangible. We have not a physical product, we have something that is intangible. He used the analogy of scraping the paint off the picture and I wouldn't like that and it would destroy the picture but you can do that with computer software. Read the bill. Read the bill, the bill says you do not tax the information. You tax the tape or the disc and the value that is ascribed to that tape or disc that is sold. If information is exchanged over the telephone, if it's exchanged over a wire, if it's a blip on some electronic wire, it's not taxed cause that's an intangible. When there's a disc or a tape that is sold that costs thousands of dollars, that item is a product. That item is taxed. If it occurs in any other form, it is not covered under the amendments in LB 17. It has to be a tangible by the definition. You can't use the argument this is intangible because this tax applies to a certain physical product that has to be exchanged and that is a tape or a disc. This is not the taxation of an intangible. Secondly, with respect to the memo or rather pages 1 and 3 of the memo because that's what's been passed out. Page 3 talks about the basis of the \$200,000 figure. It comes from an analysis of sales tax refund claims in the year this lawsuit occurred. The sales tax refunds were low, of course, because people in this business were not filing